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**FISCAL IMPACT STATEMENT**

**LS 6954**

**BILL NUMBER:** SB 542

**NOTE PREPARED:** Jan 29, 2015

**BILL AMENDED:**

**SUBJECT:** Medicaid Payments for Dialysis Treatment.

**FIRST AUTHOR:** Sen. Breaux

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & local

**Summary of Legislation:** This bill requires the Office of Medicaid Policy and Planning to apply to the United States Department of Health and Human Services for a Medicaid state plan amendment or demonstration waiver to provide kidney dialysis treatment for undocumented immigrants who have been diagnosed with end stage renal disease (ESRD).

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** This bill would require the Family and Social Services Administration (FSSA) to apply for a Medicaid waiver or state plan amendment. Medicaid waiver applications and state plan amendments are routine administrative functions of the FSSA that should be accomplished within the current level of resources available to the agency.

A review of the literature indicates that the provision of scheduled dialysis treatment for undocumented immigrants with ESRD may be fiscally neutral or result in an indeterminate level of cost savings to the Medicaid program through decreased utilization of emergency department services and inpatient admissions. Medicaid reimbursement for scheduled dialysis services could also result in a decrease in uncompensated care at local hospitals and an improvement in health status that may allow affected individuals to continue to work. North Carolina, California, and other states have broadly interpreted the federal definition of "emergency medical condition" authorizing Medicaid and associated federal matching dollars to provide ongoing scheduled hemodialysis for undocumented immigrants outside of an emergency setting.

Additional Information:

Anecdotal information indicates that Indianapolis hospitals only may be providing Medicaid-reimbursed emergency dialysis services to approximately 35 to 40 patients who are undocumented. These patients must access services through the emergency department, incurring a facility fee as well as multiple physician fees. These patients may need to be admitted - some to intensive care units in order to stabilize their conditions and to receive renal dialysis. Under current Indiana Medicaid policy, the emergency Medicaid category would pay for the emergency care services but not continuing chronic care that is necessary, leaving hospitals and other providers to assume the uncompensated care. In contrast, scheduled dialysis services are estimated to cost approximately \$80,000 per year or less depending on the type of service. (A study published in the April 2007 issue of *Texas Medicine* that is widely cited on this topic indicated that dialysis patients receiving emergency department-initiated dialysis services cost 3.7 times more than patients that received scheduled dialysis.)

[No statewide data is available on this topic at this time.]

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** [See *Explanation of State Expenditures*, above.]

**Explanation of Local Revenues:**

**State Agencies Affected:** FSSA.

**Local Agencies Affected:** Local government-owned hospitals.

**Information Sources:** “Care for Immigrants with End-Stage Renal Disease in Houston: a Comparison of two Practices”, David Sheikh-Hamad, MD; Elian Paiuk, MD; Andrew J. Wright, MD; Craig Kleinmann, MD; et.al. at: [www.researchgate.net/.../543eda390cf2eac07e80b18.pdf](http://www.researchgate.net/.../543eda390cf2eac07e80b18.pdf).

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